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## CAPITAL AND TOTAL CAPITAL: THE QUASI-TRANSCENDENTAL AND THE ACTUALISATION-VIRTUALIZATION INTERCONNECTION

ECONOFICTION ACTUALISATION, CAPITAL, FEATURED, FINANCE, LARUELLE, MARXISM, TOTAL CAPITAL, VIRTUALISATION

For a further explanation of the concept of capital we refer to the French philosopher François Laruelle, who in his conception of non-philosophy, when he speaks of "unilateral duality", first generally assumes that two or more terms and their relations are always determined by one term. This is the principle of idempotence:  $1+1=1$ . The second term and the relation between the first and second terms are immanent to the one term, or, to put it another way, the second term is the clone of the first term, but at the same time the second term maintains its contingency, insofar as the first term does not postulate the second term absolutely, but simply radically (and therefore cannot be determined by the second term either). It should be noted that this kind of causality always indicates a relation between two or more events or relationships and not between two or more things.

For a conceptual definition of capital, this could now mean analyzing it in the context of a unilateral "logic", that is, analogously to the figure of "unilateral duality": two terms – the first term stands for the capital relation and the second term comprises the events and relations derived from it – are not synthesized by a third term – as often assumed in Marxism, by abstract work or value – but the first term (capital as logic and as relation) uni-laterally determines the second term (the third term etc.) and the resulting relations, divisions and constellations between the terms. Both the second term (it stands for commodity, money, production, labor, circulation, credit, forms of capital, etc.) and the relation between the first term and the second term (relation as capital cycle: money – money capital and functioning capital – commodity-production-goods-money) are immanent in the first term (capital). This determination is the immanent mode or "logic" of capital, whereby capital is to be thought of as a logical construction and as a relationship simultaneously as virtual total capital or as the transcendence of capital. With regard to total capital, it is necessary here to examine the connecting effects between the entities of action without referring to an organizistic or a Hegelian conception of totality (we refer here to Latour's rejection of the relation between part and whole, cf. Latour 2017: 168, without however completely dividing his theoretical approach); rather, the effects must be related to the concept of quasi-transcendental total capital. Total capital should not be thought of as a unifying system, but as a determining and at the same time virtual potentiality, without a plan being followed here, not even in the sense of Adam Smith's Invisible Hand. A mathematical approach to this conception is the vectorial notation, in which the individual subsets are written as the coordination of a vector  $x$

in an  $n$ -dimensional mathematical space  $G$ . (cf. Quaaas 2016: 215) The mathematical notation, however, ultimately remains an approximation insofar as the virtual capacity of the capital *sui generis* transforms the mathematical space. It is a descendant of time.

It cannot be inferred from the linear successivity of the conceptual representation of capital that the first represented – the commodity, which Marx in capital vol.1 many Marxists believe that Marx presents it as an elementary form, having previously introduced the capitalist mode of production as an enormous collection of goods in a single sentence – a primary elementary form from which all further concepts are dialectically developed or caught up with, rather it is the determining concept, as the title of the three volumes of capital already says, capital, precisely capital to which all other concepts, terms and categories stand in an immanent, but not undifferentiated and unbroken relationship, so that the transitions between the various concepts and categories must always be problematized. We can now present the preliminary result in this way: Unilateral duality of capital=logic of capital=virtual total capital=quasi transcendentality of capital.

So let us come to the concept of the quasi-transcendenceality of capital or that of total capital. Here, total capital is primarily conceived in its transcendental constitution, namely as an *a priori* setting to which the individual capitals are passively related on the one hand, insofar as they must without exception follow the *a priori* expressed in total capital and its axioms, but where the total capital is also defined secondarily as the result of effects (of the active price-setting and cost-reducing strategies of the individual capital) on the other hand. Because of the consideration of the second moment we speak only of the quasi-transcendental nature of capital, whereby it must be added that the effects or effects appear to many Marxist authors as the cause (as quasi-causes), and this is also where the possibility of misjudging economic structures is laid out. Here the quasi-transcendental determination of capital is not a Cantian-inspired subjective transcendental, but must be understood *sui generis* as an objective or objectifying determination, and this requires the conceptual analysis of real economic relations (given-without-submission), which, however, are ever effected as given, i.e. are effect of objective economic structures (given-as-submission). Abei it must be noted that the logic of the object and the logic of the theory are not identical. Moreover, the quasi also points out that there is no *a priori* of structure without genesis. The concept of total capital does not function here as totality or even as a superorganism, but as a settling transcendental, whereby the discursive conceptual dimension of the representation does not coincide with economic reality,<sup>1</sup> which in turn means that with Althusser one must always proceed from a theoretically given (cognitive object and not real object) in the analysis of capital. The structural determination of capital is responsible for the transformation of the multitude of individual capitals as effective entities of total capital in the sense that they are placed in an economic milieu that exerts an unconditional influence on them. The concept of the quasi-transcendental total complexation of capital (total capital) cannot be grasped, however, if the war of the individual capitals within competition and its correction mechanisms is not taken into account; competition here is to be understood as constituting insofar as, as an important relay for capital, it pretends a very specific form of movement for the individual capitals, within which they absolutely must function as functional entities of total capital, precisely by actively employing price-setting and cost-reducing strategies. Marx repeatedly writes that competition is the real function of capital.

The notion of total capital further implies that, with regard to capitalist enterprises, one must always speak of any (individual) capital, whatever it may be, and in so far as it is understood as one, whatever it may be, it is indicated that it always remains subject to the "logic" of capital, and again refers to the determination by total capital in the final instance. Not the quality and form of production of the respective individual capital is decisive here, but only the fact that each individual capital has to follow the axioms and laws of capital, whereby this transcendental legality only prevails in the tendency – and "tendency" implies virtualization (which relativizes the determination and potency of capital; one also thinks of movement and counter-movement in the law of the generally falling profit rate), which must continuously update the individual capital by the sale of its products. Or, to put it another way, with regard to the concept of total capital, the interlocking of determination/necessity/setting and virtualization/updating/contingency must always be taken into account.<sup>2</sup> The aspect of virtualization, which consists, among other things, in the fact that the realization of the generated products for the individual capital is never guaranteed, however, always remains coupled to the aspect of determination. One could also formulate it in this way in a very weakened form: The capitalist mode of production does not determine absolutely – it preforms, it sets a constituent framework.<sup>3</sup>

What holds together capital, which always follows the logic of profit, is a standardized quantum reality. Total capital is constituted through very specific interactions, namely that of competition, which in turn subjects it to gravitation. This gravitation of total capital includes virtual states and relations (Althusser speaks here of structural causality, in which the cause is only indicated in the effects), which are energetic vacancies. The quantum reality of capital is a non-empirical, virtual, determinant and hidden reality. An empty and abstract mathematical structure prevails in the logic of capital. In the entities of capital, never are all energy levels occupied, which are mathematical vacancies, but which are quantum real and effective. The total capital is, besides its gravitational force, equal to a mathematically imaginary variety of formulas or an abstract reality of numbers, the potentiality of which is intensified by the probability of reality. To do this, the Schröder equation must be normalized and squared:  $\psi\psi(x, t)$  to the power of 2. This amount indicates the probability with which a single capital can retrieve a power  $x$  at time  $t$ . The probability of a single capital being able to retrieve a power  $x$  is given by this amount.

The systemic order of the capital economy is generated in-and-by a continuous disorder: Just as order cannot be equated with the optimum of regularity, disorder cannot be identified with the absence of order or with chaos. According to Anwar Shaikh, the concepts of Marxist economics explain a wide range of economic phenomena through a small set of operational principles, that is, current economic events revolve around the ever-moving centers of gravity, which are *sui generis* those of capital logic and total capital. (Shaikh 2016: Kindle-Edition: 1177ff.) Shaikh describes these movements as the systemic mode of turbulent regulation

of capital, whose characteristic expression takes the form of a repetition of short-, medium- and long-term patterns.<sup>4</sup> This is not only about the continuous adaptation to averages and equilibria by changing from one state of equilibrium to another, i.e. always in the state of imbalance, which is always bound to the changing centers of gravity, but also about the permanent capacity of the system to adapt to disturbances and extreme turbulences and not least to cyclically occurring crises, by increasing critical thresholds, widening the scope for instability and keeping normalization processes flexible. (Cf. Bröckling 2017: 128) The resulting economic growth is not only evident in terms of size, but also in terms of density and the increase in connections.

The concept of total capital includes not only a structural axiom, but also a dynamic-temporal process, the latter of which, via the mechanism of competition in dynamic compensatory movements, which take place via certain price fluctuations, leads to the production of average profit rates, which are initially industry-related, and this must be regarded as a necessity, because otherwise the most productive company would simply inexorably pull away from the less productive company and permanently form a monopoly, which would ultimately wipe out any competition between the companies. Marxist theory has attempted to grasp the formation of monopolies with the concept of the centralisation of capital, in which small enterprises are either eliminated or integrated into large enterprises, thereby reducing competition to such an extent that the vertical integration of all production processes in an enterprise (monopoly) or a group of enterprises (oligopoly) ultimately takes place.<sup>5</sup> This development has not materialised in the historical course of capitalism in contrast to the concentration of capital, which stands for the increase in the size of an enterprise. Thus, the process of setting up new companies and splitting them up must always be taken into account, as a result of innovation, the establishment of new business fields and outsourcing, in which transnational companies divest themselves of certain business fields or outsource elements of the vertical value chain. The current growth in the number of companies in Germany means that, despite the latest M&A waves, the statistically proven degree of centralisation of the economy, measured by the share of large companies or the 100 largest companies in the total economic output, has not increased, but in some cases even decreased. The shares of the 100 largest companies in the net value added of all companies fell on average from 20 percent in 2000 to 16.4 percent in 2010. However, these figures also show the high level of concentration of capital in certain areas: Only 50 companies produce half of Germany's total industrial output. In the area of financial institutions, the business volume of the ten largest companies alone accounts for 50 percent of the total volume of the industry. The Italian theorist Mimmo Porcaro characterizes the current phase of capital accumulation as a period of concentration without centralization, a phase in which a few companies grow enormously in size and at the same time competition between these companies becomes even fiercer, while it tends to weaken across the board. (Porcaro 2015: 24) These trends are also reflected in the fact that in the 1990s the most successful companies were three times more profitable than the company average, although they are currently already eight times more profitable and every second company with an above-average share of profits comes from the financial or technology sector. At the same time, however, small companies are emerging which, due to their extraordinary technological know-how, can no longer be easily taken over by large companies. If the concentration in the large companies continues to increase, integration and growth will be achieved less through the use of new technologies and more through the mechanisms of the financial markets and global financial networks. The highly concentrated financial networks today are characterized by the fact that an ever increasing number of payment promises and payment flows of the financial companies flow through them, but the number of financial companies is decreasing, so that the payment flows constantly recursively flow back and forth between the same actors, which on the one hand leads to an immense complexity and consolidation of the network including a high concentration of owners in the financial companies themselves, but on the other hand also to a specific transformation of the competition. (Sahr 2017: Kindle Edition: 6286)

Within the framework of the compensatory movements to produce the average profit rates, each individual capital appropriates a certain proportion of the added value produced within a national economy, which, however, does not correspond to its own added value produced in a certain period of time, but rather tends to be proportional to its size share in the total capital, whereby it must always be taken into account that individual capitals attempt to increase their labour and capital productivity with the methods of labour intensification and relative added value production qua technological innovation in order to achieve extra profits compared with their competitors.<sup>6</sup>

This type of differential capital movement is always geared to the profit rates expected in the future. Only the latter is relevant to the new investment and is aligned over time by the movement of competition and the mobility of firms in different sectors. The profitability of the older and less efficient production equipment of the companies no longer has any regulating power here, what really counts is the coming profitability of new investments, the incremental profit rate, whereby aggressive cost-saving investments are still made even if these reduce the profit rate of the companies in the short term. In the objective overall context of capital, this means that certain companies succeed in increasing their productivity in relation to others and thus distribute a calculated "value quantum" (production price plus average profit rate) among more products than was the case with previous production methods (the products become cheaper). The more efficient enterprise thus succeeds in selling its goods cheaper than those of other enterprises due to technological innovations.<sup>7</sup> (Cf. Bahr 1983: 434) The more productive or profitable enterprise now earns an extra profit for a certain period, which remains related to the total macroeconomic value. This cannot, however, be a purely current stock quantity (measured by GDP), but has a virtual-real dimension as a flow quantity (virtual here also means that an absolute value quantum of the total capital is ultimately not measurable). However, the calculating economist continues to act as if in a given period a fixed total value sum was produced in a national economy, realized in circulation and clearly measured as GDP, but within a given period the existing proportions (quantities, prices, values) between the companies are constantly shifted in time as total complexation by further productions and possible realizations of profits as well as by technological innovations within the framework of capital.

If profit is the central motive of capital, then the profit rate is its most important measure. And if growth is an intrinsic aspect of the reproduction of capital, then the flow of money capital takes place in the most profitable sectors, i.e. each new capital tends to flow more quickly into those sectors where profit rates are higher than average, and it flows slower into those sectors where profit rates are lower than average. This is to be understood not only as an aspect of the entry and exit of companies into and out of the markets, but also as a mechanism of acceleration and deceleration of the capital flows themselves. In the more productive sectors, the faster inflow of capital will over time lead to a higher supply of goods, with prices and thus profits tending to fall again, while in the decelerated sectors it will be the other way round. Thus, the realization of extra-profits also appears as their disappearance, with a tendency to balance profit rates across all sectors. This is part of an emergent process (which is not consciously intended by any economic actor) where profit rates can undercut and exceed the already fluctuating centers of gravity in order to approach the average again in certain patterns (turbulent arbitrage within the framework of total capital). The balancing of profit rates, however, by no means refers to an equilibrium stage, but rather involves repetitive and at the same time turbulent movements of arbitrage around the gravitational centers of capital, which themselves are constantly changing. (Shaikh 2016: Kindle-Edition: 29232) The average profit rate is thus not to be understood as a uniform profit rate, but as the result of a continuous distribution of profits around the average.<sup>8</sup> To the extent that these periodic movements of companies with their ups and downs and their circles around changing centers, which are related to the centers of gravity of capital, are driven by the calculation, forecasting and discounting of the profit rates of future production processes, the relevant profit rates, which balance each other out over certain periods of time, are those related to new investments (ibid.: 2835), with the incremental profit rates fluctuating around the general profit rates and thus generating new average profit rates, which themselves fluctuate. Anwar Shaikh has published *Capitalism. Competition Conflict Crises* pointed out, however, that the growth rates of the profit masses (and thus the speed) and not only the profit rates have to be taken into account. (ibid.: 8201)

Accumulation refers to the retransformation of added value into capital for the purpose of its expansion and exploitation. The (expected) profit rate of the enterprises is central for the accumulation of capital, because the profit is the purpose of every capitalistic investment, and therefore the profit rate together with the profit mass must be regarded as the decisive measure of the success of an enterprise (in relation to the profit mass). High-frequency trading in securities and currencies has shown that even with low profit rates or profit margins, enormously high profit masses can be realized if the moving money capital is large enough. If the profit mass is to be further increased, a decreasing profit rate requires an ever larger capital advance and new forms of financing. The concentration of capital and its globalisation as well as the strong influence of the financial sector on accumulation have one of their reasons here.

The analysis of differential capital accumulation briefly outlined here is in line with what we refer to elsewhere as "update virtualisation interconnection". (Szepanski 2014) The term "entanglement" perhaps emphasizes even more strongly than the term "interconnection" the economic processes taking place in these processes both simultaneously (the problem of simultaneity or temporization of time) and in time. The problem here from a temporal point of view consists precisely in the fact that simultaneity – the problem of the temporization of time – is at the same time to be thought of as a constant passing, so that simultaneity apparently no longer has a place in any time, so that simultaneity is the impossible of time itself, but always contains the possibility of its capture in itself. (Cf. Nozicska 2009: 291f.) Time is equal to virtuality, in which different expiring times are updated without simultaneity ever dissolving. Exactly when time updates itself, it remains virtuality – a paradox that indicates the problematic of virtuality itself.

Let us formulate the problem of the production of average profit rates briefly once again as follows: Differential accumulation, by means of the economic math (the price-money mechanism and its numbers, signs and methods), attributes the unequal works, the technologically different production processes, the different qualifications of the workers and the unequal working hours in the tendency to averages that themselves vary in time. Tendency also means here that there are always counter-movements against the production of average profit rates, which is expressed among other things in the search of individual capital for extra profits through the use of technological innovation or the appropriation of cheap raw materials, energies and manpower (cf. Moore 2015). The comparison takes place first and foremost through money, but also requires a whole series of other measures, surveying techniques and a-significant/symbols/indicators in order to produce valuations, classifications, differentiations and general accountability within and between companies. The economics mathem also has an assignative or performative aspect in that it not only records valorisation processes whose criteria are efficiency and profitability, but also stages certain allocations. The numerical objectivity in which the comparisons between different variables are written down in turn increases competition between the companies evaluated, so that an almost incestuous relationship between differentiation, homogenization and hierarchization is created, in which the economic actors are inevitably integrated. If one views capital as an overall context, then the informational entropy inherent in the "anarchic" production of the individual capital must necessarily be subject to a reduction that inevitably brings into play the mathematics of economics as a coding or axiomatics of a-significant signs, a formalization with which the economic actors, by means of the specific systems of mathematics and probability theory, attempt to permanently correct and simultaneously exploit the uncertainty and elasticity of the various economic variables. This also means, however, that in the last instance measurements by money take place, which verify that both averages and deviations take place. (Strauß 2013: 74f.) The Mathem der Ökonomie makes measurements possible and at the same time provides an interpretation matrix that is oriented to the measure of the successful market-mediated reproduction of capital. Bearing in mind that the economic law (average formation) cannot express itself directly in actualization, the a-sginikanten signs (mathematics, tables, charts, algorithms, etc.) are not a matter of the actuality of the data.) Virtualization of something that forces them as law, whereby this is in time, but it by no means stems from the addition of cases with which representations (math) have to step in, so that the math of economy

(ibid: 69f.) must necessarily be added to the concept of capital, that is, the (conceptual) capital and its economic math (difference calculus) must be superposed.

From the point of view of individual capital, the economic procedure around virtualization-update-connections can be imagined as follows (ibid.: 304f.): First, in the given period  $t_0$ , the production of a certain number of products takes place on the basis of a company's profit expectations. This process is based on economic calculations (quantities, cost calculations, market data, depreciation rates, etc.) based on semiotic, statistical and mathematical parameters and variables. Secondly, a virtualization of the distribution of quantities of goods takes place, starting from productions and price fixing, which then should entail a realization of quantities as goods. Thirdly, the sale of the products in the period  $t_1$  presents itself as a threefold update: 1) Some of the products update themselves in the given time period as a realized quantity of goods. 2) A quantitatively indeterminate recovery in the period  $t_0$  existing only in the expectation is quantitatively updated at time  $t$  as if it had already existed at  $t_0$ . In real terms, the update distinguishes a difference between expected and realised price masses. 3) An update of demand takes place with the limited means of the purchasing power of the masses or other enterprises in confrontation with the existing supply of goods. The realized quantity of goods quantities in  $t_1$  is again the starting point for adjusted profit expectations of the enterprise for the period  $t_2$ , which is reflected in changed investment ratios, which in turn influence the respective investment and consumption funds. The average profit realised by an enterprise at time  $t_1$  is related to the updated added value of the total capital at time  $t_0$ , whereby in  $t_1$  the initially purely virtual added value of the individual capital is locked to the "measure" that the number of goods can attain in confrontation with purchasing power.

In the context of the conceptual representation of capital, this is done as if, despite its virtual character, the total capital would be quantifiable, whereas at this level we are dealing with a constantly changing number of updates at any given time, because the individual capitals produce and sell in different sequences, rhythms and tempos, ergo the flow quantities dominate the stock quantities. (ibid.: 305) The theory, however, continues to proceed as if the total capital could be quantitatively written to as a value variable at a given point in time, i.e. under the assumption of simultaneity, although it should always be borne in mind that the value variable does not exist quantitatively at the total level, but is called up and retrieved in a myriad of commodity-money transactions as if it existed quantitatively. Strauß writes: "The inscription of the differentiant value – and this is the validity of money in all registers, semio-economic value – updates the virtual distributability of physical quantities [...] The inscription of prices in turn updates this virtual distributability of physical quantities in the form of money. (ibid.: 307)

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